



# RAMA UNIVERSITY

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## **FACULTY OF COMMERCE & MANAGEMENT**

**COURSE: BBA-DM; B.Com 6<sup>th</sup> SEMESTER**

**SUBJECT: SECRETARIAL PRACTICES**

**SUBJECT CODE: BBA603; BCH603**

**LECTURE: 14**

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# Lecture-14



## Unit IV

### **Meeting and proceedings:**

Ordinarily, a meeting may be defined as assembly of people for lawful purpose or coming together of at least two people for the same reason.

A Co. meeting may be defined as, “a conference or coming together of at least a quorum of members in order to transact either the ordinary or special business of the company”.

Therefore, a meeting can no more be constituted by one person than it could if no shareholders at all had attended.

Although the word meeting is not defined in the Companies Act, in *Sharp vs. Dawe (1876)*, a meeting was defined as, “an assembly of people for lawful purpose or the coming together of at least two persons for any lawful purpose”.

Meetings are divided into: -

- (a) **Public Meetings:** - Those meetings which consider matters of public concern and to which all members of the public have access, subject to physical limitations of the place where the meeting is held or conditions imposed by any law.
- (b) **Private Meetings:** - Those attended by people who have a specific right to attend, for example, Committees of golf club or members of a registered company. Therefore company meetings fall under this category.

### **Role of Company Meetings**

Since a company is an artificial person, it cannot act on its own. It is the directors, elected representatives of shareholders who are vested with the powers of control and management of the company. Since directors must work as a team, meetings are held frequently. It is at these meetings that matters relating to the company business are decided.

Similarly shareholders meetings are also important as it is here that shareholders can look after their interest by exercising the powers conferred on them by statute. These meetings provide an opportunity to shareholders to come together and take decisions for their welfare by controlling the Board of Directors and their activities.

## **CLASSIFICATION OF MEETINGS**

### **(a) STATUTORY MEETING (Section 130)**

Every company limited by shares and every company limited by guarantee and having a share capital shall within a period of not less than one month and not more than three months from the date of the commencement of business, hold a general meeting called statutory meeting. This meeting is held once during the lifetime of the company.

A private company, an unlimited company or a company limited by guarantee having no share capital, is not required to hold a statutory meeting. The notice convening this statutory meeting must be given at least 21 days before the meeting, and must specifically state that the meeting is a statutory meeting.

### **Objects of the Statutory Meeting**

The object of this meeting is to afford the shareholder an early opportunity of obtaining material information as to the circumstances of the company's promotion and also its immediate prospects.

According to Palmer, "the object of the statutory meeting is to put the shareholders of the company at as early a date as possible in possession of all the important facts relating to the new company".

The members have a statutory right to discuss any matters relating to the formation of the company or arising out of the statutory report whether previous notice has been given or not.

The other object include: -

- (i) To put members of the Co. in possession of all the important facts relating to the company, for example, what shares have been taken up, what money has been received, what contracts have been entered into and what has been spent on preliminary expenses.
- (ii) To provide the members an opportunity of meeting and discussing the management methods and prospects of the company.
- (iii) To approve the modification of the terms of any contract named in the prospectus.

**Following are the provisions of the Companies Act regarding conduct of board's meetings:**

Most of the powers of the directors are exercised in the meetings of the board of directors. The meetings are where the Board discusses the affairs of the company and also exercises its authority.

Conduct of meetings in a proper manner is important for the proper functioning of the company. Following are the provisions of the Companies Act regarding conduct of board's meetings:

- (1) **Frequency of Board Meeting:** In the case of every company, a meeting of its Board of directors must be held at least once in every 3 months and at least 4 such meetings shall be held every year (Sec. 285).
- (2) **Notice of Board Meeting:** Notice of every meeting of the Board of directors of a company shall be given in writing to every director for the time being in India, at his usual address in India. Notice must be given even to a director who has waived his right to notice or who has stated that he was unable to attend. Notice should also be given to an interested director.
- (3) **Place of Board Meeting:** Subject to the provisions of the Articles, the meetings of the Board can be held at any place other than the registered office of the company. Meetings may be held even on public holidays.

- (4) **Quorum for Board's Meetings:** Quorum means the minimum number of directors who are authorised to act and transact business as a Board. The quorum for a board meeting is one-third of the total number of directors in office or two directors, whichever is more. Directors, who are interested in the contract, are not counted in determining the presence of the quorum except in the case of a private company. If all the directors are interested except one, there can be no quorum and therefore no meeting.
- (5) **Chairman of the Board:** The Board may elect a chairman of its meetings and determine the period for which he is to hold office. If no such chairman is elected or if at any meeting the chairman is not present within 15 minutes after the time appointed for holding the meeting, the directors present may choose one of them to be chairman of the meeting.
- (6) **Minutes of the Board Meeting:** It is not necessary that the minutes of any meeting of the Board be confirmed in the next meeting. Such minutes may be signed by the chairman of the meeting at any time before the next meeting is held. The question of postponing action on the resolution already passed by the board for want of such confirmation would not arise.

Once the minutes have been confirmed or approved by the chairman of the meeting concerned, it will not be possible to have any alteration in the minutes except by a fresh resolution of the meeting of the board. Since minutes have to be recorded and not signed within 30 days, they may be confirmed by the chairman of the subsequent meeting.